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IN THE

Supreme Court of the United States

OCTOBER TERM, 1959

No. 491

TATKO BROTHERS SLATE CO., INC., *Petitioner*,

v.

MATTHEW HANNON, *Respondent*.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

J. PRESTON SWECKER
923 Washington Building
Washington, D. C.
Attorney for Petitioner

Of Counsel:
WILLIAM C. SENNETT
Bennington, Vermont

MAXWELL E. SPARROW
665 Fifth Avenue
New York, New York

WILLIAM L. MATHIS
923 Washington Building
Washington 5, D. C.

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Petitioner, Tatko Brothers Slate Co., Inc., prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Second Circuit entered on September 11, 1959, in the case there entitled "Tatko Brothers Slate Co., Inc., Plaintiff-Appellee v. Matthew Hannon, Defendant-Appellant, Docket No. 25244."

OPINIONS BELOW

The Statement of the Case, Findings of Fact, Conclusions of Law, and Judgment Order of the District Court are printed in the certified record and the nine copies of the printed record below filed herewith

(R. Vol. I, 18-30)* and are reported at 157 F. Supp. 277. The Opinion and Judgment of the Court of Appeals are printed in the Appendix hereto (A. 1a) and reported at .... F.2d ....

JURISDICTION

The judgment of the Court of Appeals was entered on September 11, 1959 (R. Vol. II, 121a). The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

THE QUESTIONS PRESENTED

1. Did the Court of Appeals apply the correct Rule of Law, consistent with U.S. Code, Title 35, § 103, in holding that the Tatko pallet, covered by the patent in suit, was an "obvious" innovation to those skilled in the art?

2. Where the District Court had found, based on substantial evidence, not questioned by the Court of Appeals, that there was demand for the invention covered by the patent in suit, that it filled a long-felt want, and that the trade generally adopted the invention when it was produced by the patentee, was the Court of Appeals justified in disregarding these findings of fact, and the criteria therein determined, and in holding that the patent in suit was lacking in patentable invention?

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* Record citations will be in the following form:

(R. Vol. I, 1)—page 1 of the certified record and of the printed record below

(A. 1a)—page 1a of the Appendix to this petition and bound with it.

STATUTE INVOLVED

U. S. Code, Title 35:

§ 103:

"A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been *obvious* at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made."

§ 282:

"A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it." (Italics ours)

STATEMENT OF THE CASE

This action was filed in the District Court as a suit for patent infringement, under Title 35, U.S. Code, § 281. Jurisdiction was based on Title 28, U.S. Code, § 1338(a).

Prior to the invention of the patent in suit, the slate industry, including the Petitioner, had loaded and unloaded slate and flagstone by hand onto and off trucks, railway cars and the like. This hand operation was slow and laborious, requiring the piece-by-piece handling of slate and flagstone.

As early as 1946, the Petitioner began attempts to use pallets of the type then available for the handling of slate and flagstone, but the only pallets that could be obtained required that the slate be laid flatwise on the

surface of the pallets. These were flush-type pallets, with no satisfactory means of confining the slate on the surface. They could not be used for transporting flagstone any appreciable distance over the highway. Several witnesses recounted unsatisfactory experiences with pallets included in such attempts.

Between 1946 and 1954, when this patented pallet was introduced to the trade, various attempts were made, according to the evidence before the District Court, to solve the problem thus presented, none successfully. This invention was described by the patentee as coming to him in a flash after it had been sought for many years.

The concept involved providing pockets in the top surface of the pallet, but more than that, it required that the pockets be formed in a particular way, extending transversely between spaced stringers, a new concept in the art, so as to receive flat slabs of slate standing on edge therein to form end-supports for the pallet. Those flat slabs of slate and flagstone, towed into these pockets, receive, confine and wedge therebetween the slate or flagstone stacked edgewise on the top surface. This was tried and found to solve the problem effectively.

Experienced operators in the industry, and large manufacturers, had tried various means of holding slate in place on a pallet (see Finding of Fact 13, R. Vol. I, 22). None of these went into extensive commercial use. However, when Petitioner introduced this pallet to the trade, substantially the entire slate and flagstone industry adopted it. The Tatko pallet has, to a substantial extent, replaced the hand operations theretofore in universal use.

As characterized by the District Court:

> "* * * The Tatko pallet made a very substantial contribution to the art of handling and transporting flagstone and other slate products." (R. Vol. I, 22)

The application for the Tatko patent was filed on March 3, 1954, and the patent was issued on November 9, 1954, No. 2,693,926 (R. Vol. I, 53).

The only prior patent (Lilienfeld, No. 2,471,693) referred to by the Court of Appeals as a basis for holding the Tatko patent invalid, had been considered and rejected by the experienced Examiner in the Patent Office.

The pallet is like a platform, formed of wood or the like, designed to permit goods to be placed thereon, to be raised and lowered and transported from place to place by a fork lift truck. This pallet differs from others theretofore in use in that it has two stringers at each opposite end of the pallet, indicated at 12 and 14 and at 11 and 13 in Fig. 1, and that some of the boards 20 extend only between the innermost stringers while others of the boards, indicated at 18, extend throughout the length of the pallet. This arrangement provides transversely extending pockets, indicated at 22, which are open at the top, but closed at the bottom. They are also of sufficient length to receive flat slabs of slate standing on edge therein to form end supports. These serve to confine and wedge therebetween the slabs of slate that are arranged on edge, side-by-side, on the top surface of the pallet. These slabs are thereby towed in place, and form a rigid unit. (See Finding of Fact 12 (R. Vol. I, 21)).

Not only were these characteristics of the pallet essential, but the pockets must be closed at their outer

ends, to keep these towed-in slabs from falling out, and to keep the entire rigid unit from falling apart.

Those features of the Tatko pallet which distinguish it from the prior art and account for its greater utility in the slate industry, are accurately and simply recited in the claims of the patent, for example in Claim 3 (R. Vol. I, 56):

> "3. In a pallet, the combination of a pair of stringers at each opposite end of the pallet and with the stringers of each pair spaced apart transversely forming pockets therebetween and with each of said stringers extending throughout the width of the pallet, boards secured on opposite sides of the stringers connecting the pairs of stringers together and also the stringers of each pair; said boards at the opposite ends of the pockets closing said ends of the pockets, additional boards at the top of the pallet extending only between the inner stringers of the respective pairs and intermediate the first-mentioned boards, and boards secured to the bottoms of the stringers intermediate the first-mentioned boards substantially closing the bottoms of the pockets."

The District Court found that invention was involved in the Tatko pallet, and that the patent was good and valid.

The Court of Appeals brushed aside all of the many findings of fact of the District Court on which that Court's decision was predicated and, on the basis of only one of the prior patents in the record, held that the Tatko invention was obvious to a person having ordinary skill in the slate industry.

In a strong dissenting opinion, Judge Madden, of the United States Court of Claims, sitting by designa-

tion, pointed out that the case was decided, not on the basis provided by precedent and recent statute, of obviousness to those in the industry, but of obviousness to the judges after the patent has disclosed the device and the industry has adopted it. This was contrary to the intent of § 103 of Title 35, United States Code, enacted in 1952.

REASONS FOR GRANTING THE WRIT

1. There is doubt and confusion of both the Bench and the Bar as to the standard of invention applicable in patent cases today. This is an important matter of national consequence upon which this Court should now unequivocally rule

This Court has not accepted for review any case rising under the Patent Act of 1952.* In fact, the last opinion which this Court delivered upon the all important question of patentability, was in its much discussed decision of *A. & P. Tea Co.* v. *Supermarket Corp.*, 340 U.S. 147 (1950). It is not surprising that in this long interval of silence, the longest on this point in the post-Civil War history of this Court, divergent views have been expressed in the decisions of the lower Federal Courts** and in legal treatises*** about the requisites for patentability in the United States.

That the complete reenactment and revision of the patent laws of the United States into a systematized Title of the U. S. Code, would inevitably give rise to

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* Title 35 U.S. Code.

** For example, compare the decision of Judge Learned Hand in Lyon v. Bausch & Lomb Optical Co. (C.A. 2) 224 F. (2d) 530, with that of Judge Modarelli in Avery v. Ever Ready Label Corp., 104 F. Supp. 913 (D.N.J. 1952).

*** For example, see Harris, Some Aspects of the Underlying Legislative Intents of the Patent Act of 1952, 23 Geo. Wash. L. Rev. 658 (1955).

some problems of interpretation is not surprising. This circumstance alone, as exemplified by Judge Madden's dissenting opinion in the present case (A. 6a), is a sufficient reason for this Court to grant the writ sought.

Petitioner also respectfully suggests that regardless of the effect of the Congressional action in revising and codifying the patent statutes, the last decisions of this Court on the question of patentability have proved to be, themselves, a source of doctrinal confusion.

2. The decision of the Court of Appeals is in conflict with the decision in the First Circuit, which held the Tatko patent good and valid at law

While the latter decision was rendered by the District Court in Maine (A. 9a), and no appeal was had from the decision by the defendant therein, it stands as the rule of law in that portion of the First Circuit.

Thus, we see that of the five Judges who have passed on the *evidence* presented with respect to the question of obviousness and invention of this Tatko patent in suit, three of those Judges (Gibson and Gignoux, of the District Courts of Vermont and Maine, and Madden of the United States Court of Claims) have held that the Tatko patent is good and valid at law and should be sustained. Only the two Judges of the Court of Appeals who supported the majority opinion, held contra, based on what we believe to be a disregard of the intent of Congress in amending the patent law in its recodification, and failure to follow applicable decisions of this Court.

3. There is small chance of obtaining a conflict of decision in other circuits because of the concentration of the slate industry in the Second Circuit

Most of the slate and flagstone industry in the United States is concentrated in New York and Vermont, both of which States are in the Second Circuit. When a suit was filed against a user, in the First Circuit (see Reason 2, supra), no appeal was filed from the judgment of the District Court sustaining the validity of the patent.

This Court has repeatedly recognized that where the major portion of an industry is confined to one circuit, and where the patent has been largely adopted by an entire industry, as the District Court found here, this circumstance may justify review by this Court on certiorari, even in the absence of a conflict of decision as between different circuits.

Schriber-Schroth Co. v. *Cleveland Trust Co.*, 305 U.S. 47

Mackay Radio & Telegraph Co., Inc. v. *Radio Corp. of America*, 306 U.S. 86

Exhibit Supply Co. v. *Ace Patents Corp.*, 315 U.S. 126

Mansey Gear Works, Inc. v. *Outboard; Marine & Mfg. Co.*, 315 U.S. 759

4. The decision of the Court of Appeals is in conflict with the decisions in other circuits as to the meaning of obviousness in Section 103 of Title 35, U.S. Code, as enacted in 1952

In *L-O-F Glass Fibers Co.* v. *Watson*, 228 F. (2d) 40, the Court of Appeals for the District of Columbia Circuit affirmatively held that Section 103 of the 1952 Act was a definite restoring of the definition of invention to the rule earlier prevailing prior to the adoption of this Act, and sustained the claim of patent rights based thereon.

In *R. M. Palmer Co.* v. *Ludens, Inc.*, 236 F. (2d) 496, the Court of Appeals for the Third Circuit affirmatively held that Section 103 of the 1952 Patent Act changed the direction of the meaning of obviousness, and imported a new "mood", as expressed by Judge Madden in his dissenting opinion in this case.

In *Otto* v. *Koppers Co.*, 246 F. (2d) 789, the Court of Appeals for the Fourth Circuit held that the factors found by the District Court in this case overcame the defense of obviousness, and were sufficient to sustain the validity of the patent in suit.

The rule of law of the Court of Appeals below cannot be reconciled with the rule prevailing in these other Circuits. The criteria for determining obviousness and invention, as adopted in these other Circuits, have been brushed aside and disregarded by the Court of Appeals below.

These are only a few of the cases in other Courts that have interpreted Section 103 of the 1952 Act, but they support, as the majority rule of the Courts, the new "mood" of this Act with respect to the meaning of obviousness therein, as forcefully expounded by Judge Madden in his dissenting opinion.

The proper interpretation of the Statute, and the rule applicable to this situation, should be finally determined by this Court.

5. The decision of the Court of Appeals is in conflict with decisions of this Court

In *Goodyear Tire and Rubber Co., Inc.* v. *Ray-O-Vac Company*, 321 U.S. 275, this court noted that especially with respect to a simple device, a showing of long-felt

want, attempts of others to solve the problem without success, etc., were factors to be considered:

> ". . . These factors were entitled to weight in determining whether the improvement amounted to invention and should, in a close case, tip the scales in favor of patentability."

This was the last of a long line of cases in this Court to the same effect. See Footnote 5.

These factors were, indeed, the basis for the decision of the District Court. They were completely disregarded by the Court of Appeals which arrived at a contrary decision based on a determination of evidence, on one point only. Its attempt to distinguish the rule is without support in the record.

The Court of Appeals relied upon decisions of this Court in *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U.S. 147 (1950) and *Jungersen* v. *Ostby & Barton Co.*, 335 U.S. 560 (1949). Both of these cases were decided prior to the enactment of the 1952 Patent Act.

Whether those decisions are controlling since the enactment of the Patent Act is a question which the Court should now determine. The conflicting views have led to much confusion.

The Court of Appeals brushed aside the findings of fact of the District Court as to whether the device was obvious to a person having ordinary skill in the art, relying upon this Court's decision in *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.*, *supra*. In that case, this Court pointed out clearly:

> ". . . The questions of general importance considered here are not contingent upon resolving con-

> flicting testimony, for the facts are little in dispute. We set aside no findings of fact as to invention, for none has been made."

The clear language of § 103 of the 1952 Patent Act requires the determination of fact issues in deciding whether,

> ". . . the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art."

This is the new "mood" of the Patent Law, as expressed by Judge Madden, before the Court may reach the question of patentability.

The Court below has disregarded, or misinterpreted, the language of the Statute, and this should be corrected.

CONCLUSION

It is submitted that this petition should be granted for the several reasons given above.

Respectfully submitted,

J. PRESTON SWECKER
Attorney for Petitioner
923 Washington Building
Washington, D. C.

Of Counsel:

WILLIAM C. SENNETT
Bennington, Vermont

MAXWELL E. SPARROW
665 Fifth Avenue
New York, New York

WILLIAM L. MATHIS
923 Washington Building
Washington 5, D. C.

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